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REILLY TAR & CHEMICAL CORPORATION

Mr. H. L. Finch - St. Louis Park

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C. T. Lesber

July 1, 1971

ST. LOUIS PARK - OPERATIONS

During my visit at St. Louis Park in June, we discussed our current; tentative operating place with regard to the constitute of refinery operations. The construction at Oranite City is proceeding satisfactorily, with a currently estimated completion date of early September. For planning purposes, we are considering that St. Louis Park will produce Anaconda electrode pitch through September. September the Granite City construction, we will probably spread the switch over through a 2-3 week period from late September into Ostober.

We further considered that you would significantly reduce roofing pitch production, beginning in July, using transfer receipts from Granite City for your roofing pitch sales.

On this above basis, the material balance indicates that we should and would plan to stop taking Duluth tar during the last week in August. (This, of course, might be affected by the potential ateel strike.)

The oil production and inventory balances are shown on the attached longhand notes. We would have modest inventories into the Fall, and based upon your estimated treating requirements, we will probably need to purchase up to 125,000 gallons of creenote oil. We had further concluded that direct oil sales would be stopped early in July, other than for an occasional truckload to bheeler at Cass Lake. For inventory control purposes, we would try to purchase the 125,000 gallons for delivery later this Fall. We should keep this program under review, and keep all advised of any significant charges or effects.

Yery truly yours.

C.7. Luly

C. F. Lesber

ee: Mr. V. A. Justin - St. Louis Fark Mr. T. J. Ryan - Office